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Mexico

DAIRY AND PRODUCTS SEMI-ANNUAL

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Report Highlights:

Despite the effect of the financial crisis, Mexico's fluid milk production, along with powdered milk, cheese, and butter, is anticipated to rise in 2009. The rate of growth of imports of NFDM is forecast lower than in the previous year, but imports will continue to grow. Consumption of cheaper dairy products in Mexico is expected to grow in 2009 as consumers consider dairy products a basic dietary need and continue to expand the range of products demanded.

Executive Summary:

Since dairy products are basic in the Mexican diet, Mexico's fluid milk production is expected to grow in 2009, leading to increased production of cheese, butter, powdered milk, and other dairy products. Imports of non-fat dry milk (NFDM) are forecast to increase slightly by 18,000 MT due to the availability of domestic milk supplies. LICONSA, the parastatal company responsible for distributing milk to the poor, continues to increase its usage of domestically produced milk; thus, demand for imported milk powder will be less in 2009.

Despite the financial crisis, consumption of dairy products will continue growing, albeit slowly, and consumers will switch to generic brands.

Data included in this report are not official USDA data. Official USDA data are available at: http://www.fas.usda.gov/psd

Commodities:
Dairy, Butter
Dairy, Cheese
Dairy, Dry Whole Milk Powder
Dairy, Milk, Fluid
Dairy, Milk, Nonfat Dry

Production:
FLUID MILK

Fluid milk production for CY 2009 is forecast 1 percent higher than the previous estimate as Mexico's specialized dairy producers continue to realize gains in productivity. Moderate production growth is expected to continue in the foreseeable future. The fluid milk production estimate for CY 2008 has been revised higher reflecting not only higher productivity resulting from technological improvements, but also better herd management practices during the hot summer months, especially with dual-purpose cattle. The data for CY 2007 are unchanged.

The cows-in-milk data were revised downward for CY 2007, 2008 and 2009 due to a new data source. With this new information we noticed that official data (SIAP) only report about 42% of the cows in milk, and the remainder was projected in order to estimate 100 percent of cows in milk. This 58% includes 3 systems: semi-specialized (farms with some but not all cows from dairy breeds), dual-purpose (farms featuring dual-purpose breeds), and family or subsistance dairying. [1]

Producer milk prices were 1.7 percent higher in CY 2008 due to demand from Mexico's food processing industry, which continues to expand its lines of processed dairy products. Producer milk prices in CY 2009 are expected to be approximately 2.4 percent higher than the 2008 average price.

Earlier in the year, LICONSA was paying 4.20 pesos (US$0.375) per liter to producers, 2.4 percent less than what was paid at the end of 2008 (4.30 = 4.00 from LICONSA funds + 0.30 from SAGARPA). Given current market conditions, LICONSA management moved to reduce the payment to producers to 3.90 pesos per liter (US $0.348 [2]) effective April 2009. However, due to pressure from producers and Congress, LICONSA will continue to pay 4.20 pesos per liter during April and May until an additional 0.30 pesos per liter is authorized by

Congress. This will permit continuation of a 4.20 peso payment that is expected to be in effect for the remainder of the year.

According to feed sector contacts within Mexico, in 2008 total feed production was 26.2 million tons with 15 percent being distributed to the dairy cattle sector, and comprised 56 percent produced by plants in vertically integrated enterprises and 44 percent by commercial feed millers.

Dual-purpose cows begin lactating during May, so protests and media declarations about low milk prices normally begin between March and April each year. Milk production increases from May to October as that is the period of greatest calving. This tendency of milk production to increase more sharply than usual in the spring will continue as some dual-use producers (i.e., in Mexico's tropical areas) have been implementing new strategies, such as new milking technologies, production in accord with sanitary standards, organic certifications and use of feed supplements.

CHEESE

Previously reported cheese production data were changed because the official data omitted 20 percent of national production.

Additionally, it is important to mention that figures include fresh cheese [3] production; in Mexico production of this cheese represents about 70 to 72 percent of the total for CY 2007, 2008, 2009; the remainder is aged cheese production [4] (yellow, Chihuahua and Manchego).

Cheese production for CY 2009 is forecast to rise modestly from the previous year due to increased production of fluid milk. Production of fresh cheese will continue to increase more than aged cheese since it is cheaper and more affordable by lower income populations. Output for CY 2007 reflects official data.

Production, supply and demand figures for CY 2009, 2008 and 2007 were changed upward according to new estimates.

BUTTER

Statistics for butter and butterfat production are combined. In Mexico the term "crema" is used for cream obtained directly as a result of milk separation plus fat-modified cream such as whipping cream and "light" (less than 73% butterfat) cream. According to the definition in FAS reporting instructions, the former butterfat or butyric fat plus butter production were considered in the PS&D table [5] . The previous production figures for 2007, 2008 and 2009 were revised upward because of the different methodology sources, and because the official data (INEGI) report only 80 percent of national production. From this report forward, the data will be estimated to show 100 percent of national production.

Butter (and butterfat) production for CY 2009 is forecast to increase slightly from the previous year's revised estimate due to the expected increase in fluid milk output and improved returns to processors. CY 2008 production declined from the previous year due to lower demand in response to higher prices of the dairy raw material during 2007 and 2008. The CY 2007 butter production reflects official data and is revised upward due to increased availability of fluid milk and increased usage by the domestic baking and confectionary industries.

NON-FAT DRY MILK (NFDM)

The production figures for non-fat dry milk include both whole milk powder (WMP) and NFDM. Official data only report whole milk powder and infant formula. In 2008, approximately 36 percent of the total powdered milk production was used for production of infant formula; in 2007 it represented 30 percent of the total.

The production of powdered milk was revised upward because previous reports used official data (INEGI) which only report 80 percent of the total; the new data estimate 100 percent of production.

Industry sources believe Mexico's production of WMP is around 95 percent of total powdered milk production, and this production normally fluctuates to absorb seasonal oversupplies of fluid milk. However, due to limited processing facilities, Mexico will still have to supplement domestic production with imports.

Production of milk powder is expected to increase 2 percent in CY 2009 due largely to the availability of fresh milk. The output estimate for CY 2008 is 5.5 percent lower than the previous year due to the used of fresh milk and large amount of importation of powder milk this year. The CY 2007 production reflects official data (estimated at 100 percent). Overall production capacity is limited, which is why imports are required to meet demand. However, Mexico's milk powder producers have marginally increased production to address market conditions.

The majority of product imported and produced domestically is used for further processing. LICONSA is the main holder of milk powder stocks.

[1] According to official estimates the daily average yields per cow are: specialized dairy cattle 25 liters, semi-specialized 19-22 liters, dual-purpose 15-17 liters, and subsistence less than 15 liters.
[2] Dollar-peso exchange: 13.20 pesos = $US1.00
[3] Fresh cheese: Double cream, fresh, Oaxaca and Panela
[4] Cheese classification according to Mexican official regulation: NOM-121-SSA1-1994, Goods and services. Cheeses: fresh, aged and processed, sanitary specifications.
[5] Butter production reported includes all kinds of butter; data available do not distinguish spread butter. Additionally, official sources report production of margarine, but the figures in PS&D tables do not include margarine because the source does not distinguish between margarine made from vegetable oil and from butterfat, and this product contains between 20 and 65% fat.

Consumption: According to industry estimates, approximately 66 percent of milk is consumed as fluid milk and the rest (34 percent) is consumed as dairy products. Nine percent of the fluid milk is consumed through the government's social programs (LICONSA). The consumption of pasteurized milk and dairy products represents almost 50 percent of total consumption.

Figure 1 demonstrates that historically during the month of February demand for milk decreases, which is normal market behavior. However, smaller dairy cattle producers claim the reduction of industry purchases was due to a higher available volume of powdered milk and dairy product imports.

FLUID MILK

Fluid milk consumption is forecast to grow in CY 2009, and is expected to reach 11.3 MMT. The total consumption estimate for CY 2008 has been revised higher as a result of LICONSA purchasing more fluid milk in the domestic market. CY 2007 figures reflect official data.

The consumer price in Mexico currently averages 11.19 pesos per liter for pasteurized fluid milk (U.S. $0.99).

CHEESE

Cheese consumption during CY 2009 is forecast to decrease compared to the previous forecast as a result of the financial crisis. This impact is not reflected in CY 2008.

BUTTER

Combined butter and butterfat consumption is estimated higher than the previous year's revised estimate due to an expected higher demand from the baking and confectionary industry. The new estimate for CY 2008 reflects lower consumption of butterfat in the baking, confectionary and food processors industry. Consumption for CY 2007 is from official data.

NFDM

Powdered milk consumption growth continues to accelerate; for CY 2009 it is forecast 5.8 percent higher than the previous year's revised estimate. The CY 2008 consumption figure reflects a 4.5 percent increase from 2007.

Trade:
FLUID MILK

Fluid milk imports for CY 2009 are forecast to decline due to the financial crisis and problems with transporting and storing milk. As in previous years, fluid milk imports will remain close to the border and few opportunities exist for sales beyond the border due to transportation costs. The estimate for CY 2008 imports has been revised lower due to a weaker peso plus increased production and sales of domestically produced fluid milk. Imports for CY 2007 reflect official data.

CHEESE

Despite the financial crisis, CY 2009 cheese imports are expected to remain the same as for CY 2008 as consumers continue to develop preferences for non-Mexican cheeses. Figures for CY

2008 were revised downward to reflect official data. This reduction chiefly results from opening of free trade in all dairy products and dairy raw material, which permits the industry to import different raw materials for producing cheese in Mexico (principally fresh cheese since this kind of product is what is mainly demanded). The financial crisis also affected consumption in 2008. Imports for CY 2007 reflect official data.

The cheese export forecast for 2009 was revised upward according to industry estimates. Figures for 2007 and 2008 are higher estimates than previously reported official data. More than 50 percent of exported volume corresponds to soft paste cheese (Camembert, Brie, etc.) under HS code 0406.90.99.

BUTTER

Import data include butter and butter oil (HS codes 0405.1001, 0405.1099, 0405.9001, and 04059099). Butter oil imports are reported in butterfat equivalent (1 kg butter oil equals 1.25 butterfat). This new methodology changed the previous figures for CY 2007 upward; however, the new estimate for 2008 is lower than the number reported before due to a decrease of about 32 percent in imports, a result of the wakening of the peso relative to the dollar. The import estimate for CY 2009 will remain at the same level as 2008 due to the effect of the financial crisis, according to industry estimates.

Butter exports are beginning to increase. Previous estimates did not report export data, but for 2009 and 2007 the new estimates reflect official figures.

NFDM

Despite the crisis, estimates of Mexico’s imports of NFDM are revised upward for 2009 due to the cheaper international price expected for this year. CY 2008 imports are revised downward reflecting official data. By contrast, in 2007 the official data show 9 percent more than the previous estimate. The Ministry of Economy announced the opening of TRQs for milk powder from Nicaragua (see report MX8068) in October 2008 under the Mexico-Nicaragua trade agreement. LICONSA’s imports are expected to fall in 2009 due to internal pressure to increase purchases of domestic fluid milk.

Stocks:
NFDM

NFDM stocks do not fluctuate, and are estimated at a carryout of 20,000 mt.

BUTTER

Consistent with past years, zero butter stocks are estimated due to the lack of refrigerated storage space among producers and end users. Users such as bakeries and food processors do not keep large stocks of butter.

Policy:
Since U.S. exports of milk and dairy products to Mexico enter duty-free, the U.S will continue to be the primary supplier. A major objective of the Mexican government is to ensure the

availability milk and dairy products to consumers, which is why the GOM's dairy policies encourage milk producers to improve efficiency and productivity levels.

The SAGARPA budget has approved funding of 1.8 million pesos for various dairy livestock and milk program activities for 2009:

Milk Production	
Fund for stabilizing the commercializing milk	0.40 million pesos (U$30,052)
PROGAN milk	0.20 million pesos (U$15,026)
Program for milk feeding	0.30 million pesos (U$22,539)
Other programs (milk)	0.88 million pesos (U$66,116)

LICONSA, one of the most important importers of powdered milk, distributes approximately 3.3 million liters of subsidized milk per day at the current price of 4.00 pesos per liter (U.S. $0.36). Although LICONSA has increased utilization of domestic fluid milk it will continue importing NFDM. In CY 2008, LICONSA is estimated to have used 69 million liters of domestically produced raw fluid milk, 55 percent more than in CY 2007. This represents about 50 percent of LICONSA's total milk usage.

LICONSA does not have a mandated price from the Congress and always faces domestic pressures. LICONSA's price is a reference price for milk in the country, specifically for those small and medium producers who do not have supply agreements with processors. However, LICONSA does not have the facilities to handle large quantities of fluid milk.

Although the LICONSA price for 2009 could be 4.20 pesos per liter (3.90 paid by LICONSA plus 0.30 from SAGARPA), dairy producers have agreed with LICONSA and the Congress to base milk payments on a "market price" as of 2010.

The Mexican Government continues to ensure the availability of dairy products to consumers. On March 3, 2009, the Secretariat of Economy published in the Federal Register a decree that amends the provisions establishing the general import tax for the northern border region. This amendment will authorize the duty-free import of hard or semi-hard cheese classified under HS code 0406.90.04 until December 31, 2013. The provisions established in this announcement are applied to imports from all MFN countries (see GAIN MX9011).

Marketing:

The U.S. agricultural offices in Mexico City and Monterrey provide information on all aspects of U.S. dairy product trade and use, including market intelligence on trade policy issues. They organize informational seminars for the Mexican trade, and develop promotion and sales opportunities for U.S. dairy products in the Mexican market. Furthermore, the cooperator group representing the U.S. dairy industry in foreign markets, the U.S. Dairy Export Council (USDEC), also organizes buying missions for potential Mexican importers/distributors to visit U.S. dairy processing plants so they can meet U.S. suppliers. Mexico is expected to continue as a significant importer of dairy products to augment domestic production. While imports are likely to consist primarily of bulk products such as NFDM, higher value products such as specialty cheeses and ice creams are also likely to find a home in Mexico's growing consumer class as tastes, preferences, and shopping habits increasingly mirror those of the United States and Europe.

However, due to the financial crisis, peso exchange rate, and higher prices, it is expected that the majority of consumers will purchase cheaper generic brands, due to the use of some branded product prices. Mexican milk industry continues reinforcing its promotional campaigns to stimulate consumption.

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Relevant Non-Governmental Organizations:

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Production, Supply and Demand Data Statistics:

PS&D Table Fluid Milk

Country:	Mexico								
Commodity:	Dairy, milk, fluid			(1000 Head) (1000 MT)					
	2007 revised			2008 Estimated			2009 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01/2007			01/2008			01/2009		
Cows In Milk	6,885	6,885	6,010	6,887	6,887	6,200	6,890	6,890	6,396
Cows Milk Production	10,657	10,657	10,657	10,814	10,814	10,919	11,030	11,030	11,130
Other Milk Production	172	172	172	172	172	170	175	175	173
Total Production	10,829	10,829	10,829	10,986	10,986	11,089	11,205	11,205	11,303
Other Imports	93	93	95	100	100	63	105	105	60
Total Imports	94	94	95	100	100	63	105	105	60
Total Supply	10,922	10,922	10,924	11,086	11,086	11,152	11,310	11,310	11,363
Other Exports	0	0	2	0	0	5	0	0	4
Total Exports	0	0	2	0	0	5	0	0	4
Fluid Use Dom. Consum.	4,275	4,275	4,275	4,253	4,253	4,273	4,275	4,275	4,291
Factory Use Consum.	6,647	6,647	6,647	6,833	6,833	6,874	7,035	7,035	7,068
Feed Use Dom. Consum.	0	0	0	0	0	0	0	0	0
Total Dom. Consumption	10,922	10,922	10,922	11,086	11,086	11,147	11,310	11,310	11,359
Total Distribution	10,922	10,922	10,924	11,086	11,086	11,152	11,310	11,310	11,363

PS&D Table Cheese

Country:	Mexico								
Commodity:	Dairy, cheese				(1000 MT)				
	2007 revised			2008 Estimated			2009 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01/2007			01/2008			01/2009		
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	147	147	184	150	150	188	152	152	190
Other Imports	89	89	86	90	90	68	90	90	68
Total Imports	89	89	86	90	90	68	90	90	68
Total Supply	236	236	270	240	240	256	242	242	258
Other Exports	3	3	4	2	2	5	2	2	5
Total Exports	3	3	4	2	2	5	2	2	5
Human Dom. Consumption	233	233	266	238	238	251	240	240	253
Other Use, Losses	0	0	0	0	0	0	0	0	0
Total Dom. Consumption	233	233	266	238	238	251	240	240	253
Total Use	236	236	270	240	240	256	242	242	258
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	236	236	270	240	240	256	242	242	258

PS&D Table Butter

Country:	Mexico								
Commodity:	Dairy, butter			(1000 MT)					
	2007 revised			2008 Estimated			2009 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01/2007			01/2008			01/2009		
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	126	126	214	130	130	178	132	132	180
Other Imports	53	53	72	58	58	49	62	62	50
Total Imports	53	53	72	58	58	49	62	62	50
Total Supply	179	179	286	188	188	227	194	194	230
Other Exports	0	0	2	0	0	0	0	0	1
Total Exports	0	0	2	0	0	0	0	0	1
Domestic Consumption	179	179	284	188	188	227	194	194	229
Total Use	179	179	286	188	188	227	194	194	230
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	179	179	286	188	188	227	194	194	230

PS&D Table Non fat dry Milk

Country:	Mexico								
Commodity:	Dairy, Milk, nonfat Dry				(1000 MT)				
	2007 revised			2008 Estimated			2009 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01/2007			01/2008			01/2009		
Beginning Stocks	20	20	20	20	20	20	20	20	20
Production	202	202	253	195	195	239	195	195	244
Other Imports	111	111	121	163	163	152	165	165	170
Total Imports	111	111	121	163	163	152	165	165	170
Total Supply	333	333	394	378	378	411	380	380	434
Other Exports	0	0	0	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0	0	0	0
Human Dom. Consumption	313	313	374	358	358	391	360	360	414
Other Use, Losses	0	0	0	0	0	0	0	0	0
Total Dom. Consumption	313	313	374	358	358	391	360	360	414
Total Use	313	313	374	358	358	391	360	360	414
Ending Stocks	20	20	20	20	20	20	20	20	20
Total Distribution	333	333	394	378	378	411	380	380	434

NOTE: The above production figures include both WMP and NFDM as production figures for these two products are not registered separately. Industry sources believe Mexico's production of WMP is around 95 percent of total production.

Table 1. Mexico: Total cows fluid milk production by state, calendar year 2007-2009 and January-March 2008-2009, in thousand liters.

STATE	2007[1]	2008[2]	2009[3]	January to March		% Change	
				2008[2]	2009[3]	07/08	jan-march 09/08
AGUASCALIENTES	375,401	370,399	380,076	89,015	85,819	-1.3%	-3.6%
BAJA CALIFORNIA	207,915	193,422	227,828	48,866	42,919	-7.0%	-12.2%
BAJA CALIFORNIA SUR	43,150	46,451	45,962	11,195	11,795	7.7%	5.4%
CAMPECHE	35,517	35,029	37,881	9,005	7,860	-1.4%	-12.7%
COAHUILA	1,286,281	1,363,762	1,307,248	329,581	336,051	6.0%	2.0%
COLIMA	36,146	36,525	36,620	5,564	5,555	1.0%	-0.2%
CHIAPAS	353,085	372,249	354,777	94,453	90,636	5.4%	-4.0%

CHIHUAHUA	817,919	926,222	862,004	215,778	207,086	13.2%	-4.0%
DISTRITO FEDERAL	10,058	12,322	14,770	3,149	3,530	22.5%	12.1%
DURANGO	1,019,227	1,036,581	1,091,284	249,073	226,869	1.7%	-8.9%
GUANAJUATO	674,660	684,202	695,446	159,743	173,762	1.4%	8.8%
GUERRERO	82,001	81,552	79,038	18,577	17,763	-0.5%	-4.4%
HIDALGO	460,773	452,977	472,220	110,595	106,345	-1.7%	-3.8%
JALISCO	1,793,579	1,855,362	1,863,665	417,961	447,267	3.4%	7.0%
MEXICO	478,211	464,573	464,502	88,893	90,369	-2.9%	1.7%
MICHOACAN	328,185	329,079	331,728	70,408	73,319	0.3%	4.1%
MORELOS	21,105	18,809	20,526	4,474	5,026	-10.9%	12.3%
NAYARIT	64,536	61,974	62,717	15,461	12,311	-4.0%	-20.4%
NUEVO LEON	41,432	39,909	44,815	9,836	10,634	-3.7%	8.1%
OAXACA	142,795	145,213	146,473	25,911	30,535	1.7%	17.8%
PUEBLA	384,707	384,285	424,341	92,577	96,426	-0.1%	4.2%
QUERETARO	200,835	195,791	195,356	47,674	50,229	-2.5%	5.4%
QUINTANA ROO	5,642	5,623	5,866	1,428	1,492	-0.3%	4.5%
SAN LUIS POTOSI	140,630	141,828	135,462	33,179	30,998	0.9%	-6.6%
SINALOA	88,633	93,779	94,559	22,882	23,332	5.8%	2.0%
SONORA	137,780	134,921	128,738	37,670	35,992	-2.1%	-4.5%
TABASCO	110,603	110,694	118,652	21,330	21,821	0.1%	2.3%
TAMAULIPAS	29,224	30,209	32,501	7,062	7,029	3.4%	-0.5%
TLAXCALA	110,258	110,924	120,226	32,325	33,339	0.6%	3.1%
VERACRUZ	692,754	697,288	834,297	167,801	174,837	0.7%	4.2%
YUCATAN	5,557	5,608	5,267	1,272	998	0.9%	-21.5%
ZACATECAS	167,383	163,293	170,527	40,155	43,417	-2.4%	8.1%
NATIONAL	**10,345,982**	**10,498,994**	**10,805,372**	**2,482,887**	**2,505,362**	**1.5%**	**0.9%**
Lagunera Area	2,205,498	2,255,272	2,250,843	549,515	533,006	2.3%	-3.0%

Source: Servicio de Informacion Agroalimentaria y Pesquera (SIAP), SAGARPA
1) SAGARPA's definitive figures for 2007
2) SAGARPA'S preliminar figures for 2008
3) SAGARPA´s forecast figures for 2009

Figure 1. Mexico: Monthly fluid milk production, CY 2006-2009 (thousand liters)

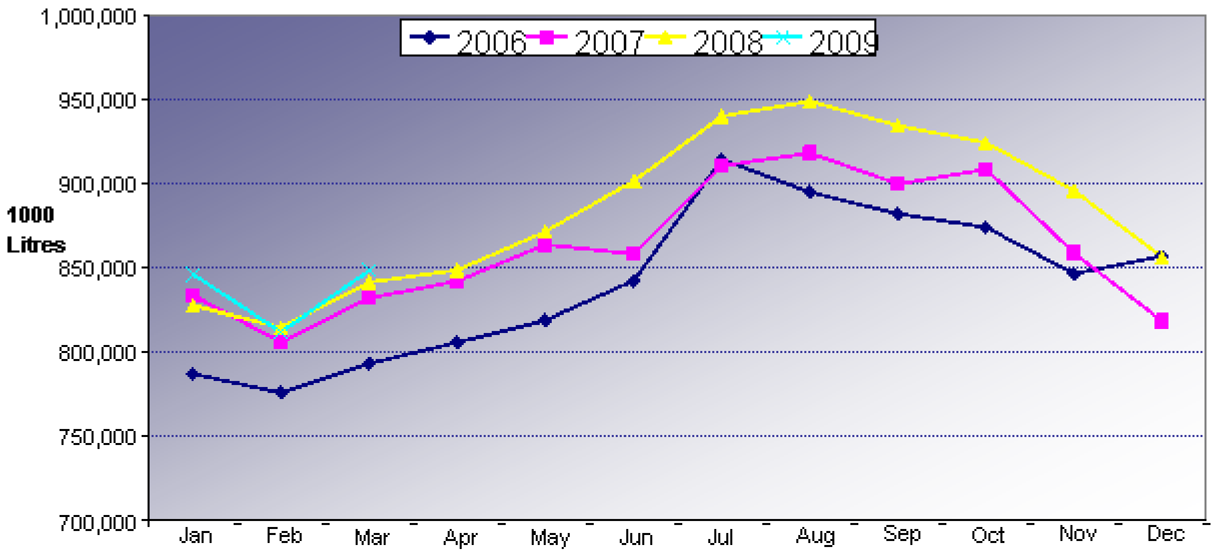

Table 2. Mexico: Milk and selected dairy product trade by HS code, CY 2006-2008

HS	Description		IMPORTS 2006	2007	2008	- 08/07 -	EXPORTS 2006	2007	2008	- 08/07 -
040110	Milk, Not Over 1% Fat	Th,L	1,472	4,789	595	-88%	47	21	137	564%
040120	Milk, >1% But =<6% Fat	Th,L	27,680	72,287	46,305	-36%	18	12	247	1908%
040130	Milk, Over 6% Fat	Th,L	13,710	15,233	14,043	-8%	1,400	1,701	4,091	140%
040210	MP Not Over 1.5% Fat	MT	111,033	120,898	152,487	26%	445	115	235	105%
040221	MP Concentrat>1.5%Fat	MT	42,904	45,537	23,161	-49%	5,725	6,049	6,352	5%
040229	MP Cntd,Swtnd >1,5%Fat	MT	36	24	32	35%	28	0	1	-
040291	Other Concntr Nt Sweet	MT	4,859	22,202	8,489	-62%	245	225	726	223%
040299	Other	MT	28,891	26,356	21,024	-20%	13,925	13,377	12,701	-5%
040310	Yogurt	MT	1,279	1,004	895	-11%	2,663	2,944	2,775	-6%
040390	Buttermilk	MT	8,789	15,792	15,652	-1%	1,675	2,055	2,570	25%
040410	Whey	MT	55,931	62,845	57,905	-8%	679	1,015	358	-65%
040490	Other Milk Products	MT	45,528	41,806	17,554	-58%	2	0	0	-88%
040510	Butter	MT	3,791	5,722	5,886	3%	210	1,135	2	-100%
040520	Dairy Spreads	MT	99	98	94	-4%	8	0	2	796%
040590	O Fat+Oil From Milk	MT	44,808	53,000	34,882	-34%	471	374	36	-90%
040610	Fresh Cheese	MT	13,549	15,824	15,678	-1%	295	218	278	28%
040620	Cheese,Grate/Powder	MT	5,633	6,545	6,706	2%	0	5	29	462%
040630	Molten cheese	MT	698	632	479	-24%	803	811	838	3%
040640	Cheese, Blue, Other	MT	272	456	283	-38%	0	0	0	-
040690	Other Cheese	MT	58,381	62,580	45,100	-28%	2,844	2,925	3,418	17%

Source: Secretariat of Economy

Table 3. Mexico: Average prices and national producer and consumer price indexes, 2004 to 2009

Product		2004	2005	2006	2007	2008	2009
Fluid Milk 1/	*producer $/L*	3.5	3.76	3.79	4.03	4.1	4.2
Pasteurized Milk 2/	*consumer $/L*	7.8	8.35	8.8	9.6	10.5	11.19
INPP /3	*Inflation end of year (%)*						
Raw milk		8.0	10.1	3.3	19.2	3.8	-2.5
Pasteurized milk		6.9	6.4	5.0	9.5	5.4	2.4
Powdered milk		2.0	4.2	2.4	21.2	0.3	0.4
Evaporated milk		4.9	5.1	0.0	20.0	-0.8	0.0
Infant formula		6.2	1.2	8.2	5.8	4.6	2.1
Condensed milk		2.0	6.4	0.0	5.9	11.5	4.3
Fresh cheese		4.0	1.9	1.2	12.1	5.0	0.4
Oaxaca cheese		3.5	0.5	2.9	7.1	2.7	0.6
Chihuahua or manchego cheese		3.5	2.7	0.6	10.8	11.4	0.2
Yellow cheese		5.7	2.0	0.5	17.7	8.7	0.0
Other cheeses		6.5	0.5	0.0	8.8	6.1	1.2
Cream and whipping cream		1.8	6.2	1.7	11.3	3.5	0.3
Butter		0.0	8.3	5.4	13.7	14.0	2.1
INPC/3							
Pasteurized and raw milk		7.7	5.5	4.8	10.9	4.5	2.9
Powdered milk		5.2	5.8	4.4	12.9	5.9	0.2
Evaporated, condensed and infant formula		6.9	5.9	5.0	10.8	6.4	0.7
Fresh cheese		9.7	7.2	0.2	13.3	8.9	1.1
Oaxaca cheese		8.5	5.1	1.1	14.0	8.1	0.6
Chihuahua or manchego cheese		8.8	4.5	-0.1	19.4	6.2	1.0
Yellow cheese		7.1	3.4	1.6	14.0	11.2	1.0

Other cheeses	7.1	6.4	0.4	15.8	7.0	0.0
Cream and whipping cream	8.2	2.4	2.8	7.2	4.8	3.5
Butter	10.9	5.2	6.5	14.3	13.7	4.5
Yoghurt	0.8	-2.3	-1.6	6.5	0.7	1.2

1/ National weighed. Estimated for 2008 and 2009 (April)
2/ Metropolitan Area of D.F, average until April 30, 2009
3/ Data for January – March 2009
Banxico exchange rate: U$ 1.00 = 13.31 pesos (May 14, 2009)